

the Indemnifying Party, the Indemnifying Party shall, by giving notice to the Indemnitee confirming the Indemnifying Party's obligation under this Article 7 to indemnify the Indemnitee in respect of the Claim, be entitled to assume and control the defense of the claim with counsel chosen by it and reasonably satisfactory to the Indemnitee. The Indemnitee shall be entitled to participate in the defense after such assumption, but the costs of such participation (other than the costs of providing witnesses or documents at the request of the Indemnifying Party or in response to legal process) following such assumption shall be at the expense of the Indemnitee. Upon assuming such defense, the Indemnifying Party shall have full right to enter into any compromise or settlement which is dispositive of the matter involved; provided that, except for the settlement of a Claim that involves no material obligation of the Indemnitee other than the payment of money for which full indemnification is provided by the Indemnifying Party hereunder, the Indemnifying Party shall not settle or compromise any Claim without the prior written consent of the Indemnitee, which consent will not be unreasonably delayed or withheld; and provided, further, that the Indemnifying Party may not consent to entry of any judgment or enter into any settlement in respect of a Claim which does not include the giving by the claimant or plaintiff to the Indemnitee of a complete and unconditional release from all liability in respect of the Claim.

7.5.2 Defense by Indemnitee. If the Indemnifying Party (i) does not have the right to assume the defense of a Claim under Section 7.5.1 or (ii) shall not have exercised its right to assume the defense of the Claim, the Indemnitee may assume and control the defense of the Claim with counsel chosen by it that is reasonably satisfactory to the Indemnifying Party and the Indemnifying Party shall be obligated to pay all reasonable attorneys' fees and expenses of the Indemnitee incurred in connection with such defense; provided, however, that the Indemnifying Party shall not be obligated to pay the fees and disbursements of more than one counsel in each applicable jurisdiction for all Indemnitees in any single action. The Indemnifying Party shall be entitled to participate in the defense of such Claim, but the cost of such participation shall be at its own expense. The Indemnitee shall not be required to defend any Claim under this Section 7.5.2 that the Indemnifying Party had the right to defend under Section 7.5.1 and, if the Indemnitee elects to defend such a Claim, it shall owe no duties to the Indemnifying Party with respect to the defense of such Claim, and may defend, fail to defend or settle such Claim without affecting its right to indemnity hereunder. The Indemnitee may compromise or settle any Claim that it is defending at any time; provided, however, that the Indemnitee shall not settle or compromise any Claim that the Indemnifying Party did not have the right to defend under Section 7.5.1 without the prior written consent of the Indemnifying Party, which consent will not be unreasonably delayed or withheld.

7.5.3 Indemnitee's Right to Settle. Without regard to whether the Indemnifying Party or the Indemnitee is defending a Claim, if in the reasonable judgment of the Indemnitee it would be materially harmed or otherwise materially prejudiced by not entering into a proposed settlement or compromise and the Indemnifying Party withholds consent to such settlement or compromise, the Indemnitee may enter into such settlement or compromise, but such settlement or compromise shall not be conclusive as to the existence or amount of the liability of the Indemnifying Party to the Indemnitee.

7.5.4 Cooperation. Both the Indemnifying Party and the Indemnitee shall cooperate fully with one another in connection with the defense, compromise or settlement

of any Claim, including without limitation making available to the other all pertinent information and witnesses within its control at reasonable intervals during normal business hours.

7.6 Recovery from Escrow Fund. The Escrow Fund shall be available to compensate any GCI Indemnitee for any Losses actually suffered or incurred by the GCI Indemnitees for which the GCI Indemnitees are entitled to indemnification pursuant to this Article 7. All claims for recovery for any Loss or Losses from the Escrow Fund shall be made pursuant to and in accordance with, and governed by the terms of, the Escrow Agreement.

7.7 Set-off. Subject to the limitations contained in this Article 7, GCI may offset any Loss for which it is entitled to be indemnified under this Article 7 against any Revenue Growth Payments that subsequently become due pursuant to Article 2. This provision is not intended to limit GCI's right to indemnification to amounts offset pursuant to this Section 7.7. In the event that GCI intends to effect a set-off under this Section 7.7, it shall provide the Sellers with notice thereof, including a reasonably detailed description of the matter in respect of which the right to indemnification is claimed.

7.8 Limitations. Except in the case of intentional misrepresentation or the commission of fraud, the right to be indemnified pursuant to this Article 7 will constitute the exclusive remedy of the parties after the Closing Date for Losses arising by virtue of a breach of any representation, warranty or covenant under this Agreement, absent fraud.

7.9 Insurance. With respect to any Losses for which an Indemnitee is entitled to indemnification under this Article 7 and which Losses may be covered by insurance, such Indemnitee will be able to make a claim for indemnification (i) to the extent that the Indemnitee has not received proceeds from insurance applicable to such claim, (ii) in an amount equal to the Indemnitee's applicable deductible for such coverage, (iii) to the extent that the Loss otherwise exceeds the applicable insurance coverage, and (iv) to the extent that the Loss is otherwise excluded in whole or in part from any such applicable insurance coverage. If an Indemnifying Party paid an Indemnitee for an indemnification claim under this Agreement and the Indemnitee subsequently receives insurance proceeds in respect of such indemnification claim, the Indemnitee shall remit promptly to the Indemnifying Party who paid such indemnification claim the lesser of the amount so paid by the Indemnifying Party or such insurance proceeds.

7.10 Recovery from Third Parties. With respect to any Losses for which an Indemnitee is entitled to indemnification under this Article 7 and which Losses may be covered by insurance, an Indemnitee shall use its commercially reasonable efforts (and not more) to recover all insurance proceeds reasonably available. An Indemnitee shall also use its commercially reasonable efforts (and not more) to assist an Indemnifying Party in the recovery of any amounts reasonably available from other third parties with respect to such Losses.

ARTICLE 8 TERMINATION

8.1 Right to Terminate. The Parties may terminate this Agreement as provided below:

8.1.1 The Sellers and GCI may terminate this Agreement by mutual written consent at any time prior to the Closing.

8.1.2 GCI may terminate this Agreement by giving written notice to the Sellers at any time prior to the Closing (i) in the event the Sellers have breached any representation, warranty or covenant contained in this Agreement in a way that would result in the nonfulfillment of the conditions to the obligations of GCI hereunder, GCI has notified each of the Sellers of the breach, and the breach has not been cured within ten (10) days after the notice of breach or such longer period as agreed by the Parties, or (ii) if the Closing has not occurred on or before [REDACTED] because of the failure of any condition precedent to the obligations of GCI to consummate the Closing (unless the failure results primarily from GCI breaching any representation, warranty or covenant contained in this Agreement).

8.1.3 The Sellers may terminate this Agreement by giving written notice to GCI at any time prior to the Closing (i) if GCI has breached any representation, warranty or covenant contained in this Agreement in a way that would result in the nonfulfillment of the conditions to the obligations of the Sellers hereunder, the Sellers have notified GCI of the breach, and the breach has not been cured within ten (10) days after the notice of breach or such longer period as agreed by the Parties or (ii) if the Closing has not occurred on or before [REDACTED] because of the failure of any condition precedent to the obligations of the Sellers to consummate the Closing (unless the failure results primarily from the Sellers breaching any representation, warranty or covenant contained in this Agreement).

8.2 **Effect of Termination.** The termination of this Agreement by a Party pursuant to Section 8.1.2 or 8.1.3 will in no way limit any obligation or liability of any other Party based on or arising from a breach or default by such other Party with respect to any of its representations, warranties, covenants or agreements contained in this Agreement prior to the termination, and the terminating Party will be entitled to seek all relief to which it is entitled under applicable law.

ARTICLE 9 POST-CLOSING COVENANTS

9.1 Tax Matters.

9.1.1 The Sellers shall be responsible for the preparation of drafts of all Tax Returns of the Acquired Companies for all tax periods ending on or prior to the Closing Date ("Final Tax Returns") and the submission of the Final Tax Returns to GCI for its review and filing at least sixty (60) days before the due dates thereof; in the case of the state income or franchise tax returns for the Acquired Companies, such return shall be prepared by the Acquired Companies' current accounting firm in a manner consistent with past practice. The Sellers shall submit the Final Tax Returns to GCI's corporate tax department in a form suitable for immediate filing together with all schedules, supplemental forms and other attachments required by applicable law for such Tax Returns, including such schedules and forms necessary for the Section 338(h)(10) Election. The Sellers shall consult with GCI regarding any material issue that GCI may have with any matter reported on the Final Tax Returns as presented by the Sellers and shall attempt in good faith to resolve any such issues. In the event any such matter is not

resolved to GCI's satisfaction, the Sellers shall submit such matter to tax counsel or an independent accounting firm reasonably acceptable to GCI and the determination of such counsel or independent accounting firm shall be binding on GCI and the Sellers. The Final Tax Returns (i) shall be signed on behalf of the Acquired Companies by one or more of the officers of the Company as appropriate in their official capacities with the Acquired Companies as of the day immediately preceding the Closing Date and (ii) shall include such schedules and forms necessary for the Section 338(h)(10) Election. Following the procedure outlined above the Company shall file all Final Tax Returns.

9.1.2 The Sellers shall be liable for income Taxes that may be imposed on the Acquired Companies or the Sellers for any taxable period that ends on or before the Closing Date, including transactions deemed to occur as a result of the Section 338(h)(10) Election.

9.1.3 The Sellers shall be liable for Taxes other than income Taxes that may be imposed on the Sellers for any taxable period that ends on or before the Closing Date, including transactions deemed to occur as a result of the Section 338(h)(10) Election.

9.1.4 With respect to any taxable period that begins before the Closing Date but ends after the Closing Date, the Sellers shall pay the Taxes attributable to the portion of such period ending on the Closing Date (inclusive thereof). The amount of such Taxes attributable to such parties for such period shall be determined on a daily pro-rata basis, unless the parties agree otherwise. With respect to any Tax Return required to be filed by the Acquired Companies for any period that includes a period (or portion thereof) ending on or prior to the Closing Date, GCI shall provide the Sellers with copies of such Tax Return at least 30 days prior to the due date for the filing of such Tax Return for the Sellers' review. GCI shall make any changes requested by the Sellers that are consistent with and not in possible violation of any applicable laws.

9.1.5 The Sellers and GCI will provide each other with such cooperation and information as any of them reasonably may request of each other in matters pertinent to the subject matter covered by this Section 9.1.5. GCI will retain all Tax Returns, schedules and work papers and all material records or other documents relating to Tax matters of the Acquired Companies until the expiration of all applicable statute of limitations for further assessment. GCI shall notify the Sellers in writing in the case of an audit or legal proceeding that relates to periods ending on or prior to the Closing Date and the Sellers shall have the right at their own expense to participate in and control the conduct of such audit or proceeding to the extent that such audit or proceeding relates to a potential adjustment for which the Sellers would be liable. With respect to a potential adjustment of Taxes of the Acquired Companies for which both the Sellers and GCI could be liable, or which involves an issue that recurs in any period ending after the Closing Date (whether or not the subject of an audit at such time), (i) both GCI and the Sellers may participate at their own expense in the audit or proceeding and (ii) the audit or proceeding shall be controlled by that Party which would bear the burden of the greater portion of the sum of the adjustment and any corresponding adjustments that may reasonably be anticipated for a future Tax period. Neither GCI nor the Sellers shall enter into any compromise or agree to settle any claim pursuant to any Tax audit or proceeding which would adversely

affect the other Party for such year or a subsequent year without the written consent of the other Party, which consent may not be unreasonably withheld or delayed.

9.1.6 At the request of GCI, at the Closing, the Company shall promptly join with GCI in making an election (the "Section 338(h)(10) Election") under Section 338(h)(10) of the Code and the Treasury Regulations promulgated thereunder and any corresponding rules of any other jurisdiction, with respect to the purchase of the Common Stock hereunder. Incident thereto, the Company agrees to include any income, gain, loss, deduction or other Tax item resulting from the Section 338(h)(10) Election on its Tax Return to the extent required by applicable law. GCI will be responsible for completing and filing the Tax forms in each state, federal and other jurisdiction necessary to make any Section 338(h)(10) Election and any corresponding election. The "aggregate deemed sale price," determined in accordance with Section 338 of the Code and Treasury Regulations promulgated thereunder, shall be allocated among the assets of the Acquired Companies in the manner set forth below. If any of such forms are required to be signed by the Company then the Company agrees to sign and return such signed forms to GCI within ten days of receipt. The Company agrees to attach a copy of such forms to its tax returns as required.

9.1.7 GCI shall prepare an allocation of the purchase price among the assets of the Acquired Companies based upon the following methodology: first, to tangible fixed assets, the fair market value as reasonably determined by GCI; second, to all other assets (other than intangibles and goodwill) GAAP value as reflected on the Closing Financial Statements; and third, the remainder to goodwill and other intangibles. GCI shall submit to the Company the preliminary allocation no later than 90 days after the Closing Date. The Company shall have up to ten days to review such allocation and comment thereon, after which time GCI and the Company shall endeavor to mutually agree on an allocation. In the event that GCI and the Company are unable to agree to an allocation of the purchase price in accordance with this Section 9.1.7, any such dispute shall be resolved by an independent accounting firm reasonably acceptable to both GCI and the Company, the decision of which shall be binding on, and the cost of which shall be shared equally by, GCI and the Company. GCI and the Company shall thereafter jointly complete, and the Acquired Companies and GCI shall separately file, Form 8883's with the respective Tax Returns for the tax year in which the Closing Date occurs in accordance with such allocation, and no Party shall take any position on any Tax Return or before any governmental entity charged with the collection of any Tax or in any legal proceeding that is in any manner inconsistent with the terms of such conclusive allocation without written consent of the other Parties unless required to do so by applicable law.

9.2 Additional Covenants.

9.2.1 For a period of ten (10) years from the date of this Agreement, GCI shall provide funding to the Company's existing scholarship program described on Schedule 9.2.1 at an annual funding level of no less than \$300,000 per calendar year, which amount shall be subdivided into one hundred fifty (150) student scholarships at a value of two thousand dollars (\$2,000) each. No less than 25 such scholarships shall be allocated to residents of Hooper Bay. GCI shall also provide adequate administrative support for such program. All scholarship awards shall be made by a committee composed of the then-current chief executive officer of KUC and UII, three members of the board of directors of Sea Lion, and one member

of the board of directors of Togiak. GCI shall reimburse all reasonable travel expenses of such committee members, provided that GCI has received adequate documentation supporting such expenses.

9.2.2 For a period of ten (10) years from the date of this Agreement, GCI or its Affiliates shall provide T-1 Internet connectivity service to the Hooper Bay E-Commerce Center at no charge.

9.2.3 GCI shall cause the Acquired Companies to provide funds to the Company to satisfy its obligations to pay the incremental obligations owed to the current chief executive officer of the Company at the Closing under the terms of the second amendment to the CEO's employment agreement dated October 5, 2007, a copy of which has been provided to GCI.

9.2.4 To the extent that the Company requests within twelve (12) months after the Closing Date, GCI shall cause the Acquired Companies to allow MUC to attach its transmission lines to the existing poles owned by the Acquired Companies in the village of Manley at no cost for a period equal to the remaining useful life of such existing poles.

9.2.5 GCI shall maintain or cause the Acquired Companies to maintain reasonable D&O insurance coverage for the former directors of the Acquired Companies for a period of at least three years beginning on the Closing Date. This insurance shall be procured at the expense of GCI or the Acquired Companies.

9.2.6 GCI shall maintain or cause the Acquired Companies to maintain a maintenance program for the Microwave Network for a period of at least three (3) years beginning on the Closing Date. Such maintenance program shall be adopted by the Company with GCI's agreement prior to the Closing Date.

9.2.7 In addition, GCI shall direct the Acquired Companies to satisfy their express responsibilities under each Acquired Companies "employee benefit plan", as that term is defined in ERISA Section 3(3), to the extent vested and in effect as of the date of this Agreement, including any vested interest any employee of the Acquired Companies may have in any written nonqualified deferred compensation arrangement.

ARTICLE 10 MISCELLANEOUS

10.1 **Arbitration.** The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement or any other Transaction Agreement through discussions between the senior management of the Parties. As part of this process, either party may request a mediation. If these attempts are unsuccessful, the Parties agree that any action asserting a claim by one Party against any other Party or Parties hereto (collectively, the "Disputing Parties") arising out of or relating to this Agreement or any other Transaction Agreement shall, on the written notice by one Disputing Party to the others, be submitted to binding arbitration to be held in Anchorage, Alaska. The arbitration shall be conducted by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Disputing Parties shall hold an initial meeting within 30 days from

receipt of notice from the requesting Party of a request for arbitration. Unless otherwise agreed in writing, they will jointly appoint a mutually acceptable arbitrator not affiliated with any of the Disputing Parties. If they are unable to agree upon such appointment within 30 days of the initial meeting, the Disputing Parties shall obtain an odd numbered list of not less than five potential arbitrators from the Superior Court for the Third Judicial District, State of Alaska. Each Disputing Party shall alternatively strike a single name from the list until only one name remains, with such person to be the arbitrator. The Disputing Party requesting the arbitration shall strike the first name. Each Disputing Party shall pay an equal share of the costs related to the arbitration, unless the arbitrator's decision provides otherwise. Each Disputing Party shall bear its own costs to prepare for and participate in the arbitration. Each Disputing Party shall produce at the request of any other Disputing Party, at least 30 days in advance of the hearing, all documents to be submitted at the hearing and such other documents as are relevant to the issues or likely to lead to relevant information. The arbitrator shall promptly render a written decision, in accordance with Alaska law and supported by substantial evidence in the record. The prevailing Party shall be entitled to recover reasonable attorneys' fees, costs, charges and expended or incurred therein, if the arbitrator's decision so provides. Failure to apply Alaska law, or entry of a decision that is not based on substantial evidence in the record, shall be additional grounds for modifying or vacating an arbitration decision. Judgment on any arbitration award shall be entered in any court of competent jurisdiction.

10.2 Remedies. Subject to Section 10.1, all remedies under this Agreement and at law shall be cumulative. In the event of a breach of this Agreement prior to Closing, the Parties shall be entitled to all remedies available under applicable law or in equity, including specific performance and other injunctive relief, and in the event that any Party seeks an equitable remedy, the breaching Party expressly waives, and shall not raise in any action or proceeding, the claim or defense that an adequate remedy at law exists.

10.3 Amendments and Supplements. At any time prior to the Closing Date, this Agreement may be amended or supplemented by a written instrument signed by the Sellers and GCI, and any such amendment shall be binding on all Parties.

10.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska without giving effect to any choice or conflict of laws rule or provision that would cause the application of the domestic substantive laws of any other jurisdiction.

10.5 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be sent by any means selected by the sender. Each such notice or other communication shall be effective (i) if given by recognized overnight courier, one Business Day after being delivered to such courier, addressed to the intended recipient at the address specified below or (ii) if given by any other means, when actually received.

To GCI:

GCI Communication Corp.
2550 Denali Street, Suite 1000
Anchorage, AK 99503
Attention: Corporate Counsel

With a copy to (which copy shall not constitute notice to any Party):

General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, AK 99503
Attention: General Manager & Executive Vice President

With a copy to (which copy shall not constitute notice to any Party):

Sherman & Howard L.L.C.
633 Seventeenth Street, Suite 3000
Denver, CO 80202
Attention: Steven D. Miller

To the Company:

United Companies, Inc.
5450 A Street
Anchorage, AK 99518
Attention: President

With a copy to (which copy shall not constitute notice to any Party):

Kemppel, Huffman and Ellis, P.C.
255 East Fireweed Lane, Suite 200
Anchorage, Alaska 99503
Attention: John Andrew Leman

To Sea Lion:

Sea Lion Corporation, Inc.
PO Box 87
Hooper Bay, AK 99604
Attention: President

To Togiak:

Togiak Natives Limited
PO Box 150

Togiak AK 99678
Attention: President

Any Party may change its address for purposes of this Section 10.5 by notice to the other Parties.

10.6 Entire Agreement, Assignability, Etc. This Agreement (including the Disclosure Schedules, the Exhibits, and a Letter Agreement executed by the Parties contemporaneously with the execution of this Agreement) (i) constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the Parties, or any of them, with respect to the transactions and matters contemplated hereby, (ii) is not intended to confer upon any Person other than the Parties hereto any rights or remedies hereunder, (iii) shall not be assignable by a party without the prior written consent of the other Parties and (iv) subject to that restriction, shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

10.7 Exclusivity of Representations. The Sellers shall not be deemed to have made to GCI any representation or warranty other than as expressly set forth in Article 3. GCI shall not be deemed to have made to the Sellers any representation or warranty other than as expressly set forth in Article 4. No investigation made by any Party shall limit its right to rely on any representation or warranty.

10.8 Counterparts. This Agreement may be executed in any number of counterparts, no one of which need be signed by all Parties, but all of which together shall constitute one and the same instrument. This Agreement may be signed and delivered by facsimile or other electronic transmission and any such signature shall be deemed an original.

10.9 Representations as to Knowledge. The representations and warranties contained in this Agreement that are made to the "knowledge" (or words of similar import) of any Party to this Agreement, shall be deemed to mean knowledge in good faith after reasonable investigation and as to representations and warranties of the Sellers, shall be the knowledge of the Sellers after such reasonable investigation into the activities of the Acquired Companies.

10.10 Headings. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

10.11 Waivers. No failure by any Party to insist upon the strict performance of any provision of this Agreement on one or more occasions shall constitute a waiver of any right or remedy hereunder. Any waiver must be in writing signed by the Party charged with the waiver. No waiver by any Party will be deemed to extend to any prior or subsequent default, misrepresentation or breach.

10.12 Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of the remaining terms and provisions hereof.

10.13 Expenses. Except as specified in Section 5.1.2, whether or not the transactions contemplated hereby are consummated, each Party shall bear its own costs and

expenses (including, without limitation, legal fees and expenses) incurred either before or after the date of this Agreement in connection with this Agreement or the transactions contemplated hereby.

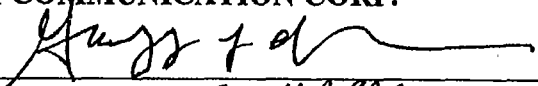
10.14 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as having been drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Parties intend that each representation, warranty and covenant contained herein will have independent significance. If any Party breaches any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant. Defined terms have the meanings specified, applicable to both singular and plural forms. All pronouns include the masculine, feminine or neuter. The singular or plural includes the other. The word include (and any variation) is used in an illustrative rather than a limiting sense. The word day means a calendar day, unless a Business Day is specified.

10.15 Incorporation of Exhibits. The Exhibits and Disclosure Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

GCI COMMUNICATION CORP.

By: 
Name: Gregory F. CHAPADOS
Title: SVP - Fed Affairs and Business

Revelo,

UNITED COMPANIES, INC.

By: _____
Name: _____
Title: _____

SEA LION CORPORATION

By: _____
Name: _____
Title: _____

TOGIAC NATIVES LIMITED

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first
above written.

GCI COMMUNICATION CORP.

By: _____
Name: _____
Title: _____

UNITED COMPANIES, INC.

By: [Signature]
Name: Myron P. Wenberg Sr.
Title: Chairman

SEA LION CORPORATION

By: [Signature]
Name: Myron P. Wenberg Sr.
Title: President

TOGLAK NATIVES LIMITED

By: [Signature]
Name: JOE ALEXIE
Title: CHAIRMAN

EXHIBIT A

DEFINITIONS

As used in this Agreement, the following terms have the indicated meanings:

"Accounts Receivable" has the meaning set forth in Section 3.21.

"Acquired Companies" means United-KUC, Inc., an Alaska corporation, United Utilities, Inc., an Alaska corporation, and Unicom, Inc., an Alaska corporation, collectively.

"Acquisition" has the meaning set forth in the Recitals.

"Acquisition Transaction" has the meaning set forth in Section 5.1.

"Affiliate" means, as to any Person, another Person that controls, is controlled by or is under common control with such Person, and control means the power, directly or indirectly, by stock ownership, contract, family relationship, employment, position or otherwise, to significantly influence the business decisions of another Person.

"Agreement" has the meaning set forth in the Introduction.

"Applicable Contract" means any Contract (a) under which any of the Acquired Companies has or may acquire any rights, (b) under which any of the Acquired Companies has or may become subject to any obligation or liability, or (c) by which any of the Acquired Companies or any of the assets owned or used by it is or may become bound.

"Balance Sheet Date" has the meaning set forth in Section 3.5.1.

"Baseline Gross Revenue" has the meaning set forth in Section 2.2.1.

"Business Assets" means all assets and properties of the Acquired Companies, whether real or personal, tangible or intangible, including, without limitation, (a) the Telecom Licenses, (b) all furniture, office equipment, other equipment, automobiles and other tangible personal property contained on the list delivered to GCI pursuant to Section 3.15.1, (c) all of the Acquired Companies' rights under the Contracts listed on Section 3.11.1 of the Disclosure Schedule, (d) all inventory, fixed assets and leasehold improvements, (e) all notes and accounts receivable of the Acquired Companies, (f) all customer deposits, advance payments, prepaid items and expenses, deferred charges, rights of offset and credits and claims for refund, (g) all claims, rights and causes in action against third parties and all rights to insurance proceeds relating to any damage, destruction or impairment of the Business Assets, (h) all Intellectual Property Rights, (i) all books of account and all customer and supplier lists and other records related to the Acquired Companies' businesses, and (j) all goodwill associated with the Business Assets.

"Business Day" means any day other than a Saturday, Sunday or day on which banks located in Anchorage, Alaska are authorized or required to close.

"Capital Expenditure Budget" has the meaning set forth in Section 3.20.

"Cash Consideration" has the meaning set forth in Section 1.2.

"Claim" has the meaning set forth in Section 7.5.

"Closing" has the meaning set forth in Section 1.4.

"Closing Date" has the meaning set forth in Section 1.4.

"Closing Date Statement" has the meaning set forth in Section 1.6.2.1.

"Closing Date Shareholders' Equity" has the meaning set forth in Section 1.6.2.1.

"Closing Payment" has the meaning set forth in Section 1.2.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Common Stock" has the meaning set forth in the Recitals.

"Communication Act" means the Communications Act of 1934, as amended.

"Communications Laws" means the Communications Act and the rules, regulations, published policies, published decisions, published orders, published rulings, and published notices of the FCC promulgated thereunder as well as judicial interpretations of the Communications Act and items promulgated thereunder.

"Company" has the meaning set forth in the Introduction.

"Company Audited Financial Statements" has the meaning set forth in Section 5.8.

"Company Financial Statements" has the meaning set forth in Section 3.5.1.

"Company Indebtedness" has the meaning set forth in Section 3.5.5.

"Contract" means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

"Current Assets" means, collectively, the Acquired Companies' (i) cash, (ii) accounts receivable (net of allowance for doubtful accounts), (iii) inventory, (iv) prepaid expenses and (v) other current assets, all determined in accordance with GAAP.

"Current Liabilities" means, collectively, the Acquired Companies' (i) accounts payable, (ii) unearned revenues, (iii) accrued liabilities, including accrued payroll expenses and

accrued liabilities for payroll, sales and use Taxes, (iv) current notes payable and (v) other current liabilities, all determined in accordance with GAAP.

"Disclosing Party" has the meaning set forth in Section 5.16.

"Disclosure Schedule" has the meaning set forth in Article 3.

"Disputing Parties" has the meaning set forth in Section 10.1.

"Employee Agreement" means each management, employment, severance, consulting, contractor, relocation, repatriation, expatriation, loan, visa, work permit or other agreement, or contract (including any offer letter or any binding written or oral agreement providing for acceleration of options, or other binding written or oral agreement providing for compensation or benefits) between any of the Acquired Companies or any ERISA Affiliate, on the one hand, and any employee of an Acquired Company, on the other hand.

"Employee Plans" has the meaning set forth in Section 3.9.1.

"Environmental Laws" means all applicable laws, Environmental Permits, and similar items of any Governmental Authority relating to the protection of human health or safety or the environment, including: (i) all requirements pertaining to liability for reporting, management, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of a Hazardous Materials; (ii) all requirements pertaining to the protection of the health and safety of employees or the public; and (iii) all other limitations, restrictions, conditions, standards, prohibitions, obligations, and timetables contained therein or in any notice or demand letter issued, entered, promulgated, or approved thereunder. The term "Environmental Law" includes, without limitation, (x) Federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., the Federal Water Pollution Control Act (which includes the Federal Clean Water Act), the Federal Clean Air Act, the Federal Solid Waste Disposal Act (which includes the Resource Conservation and Recovery Act), the Federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, each as amended from time to time, any regulations promulgated pursuant thereto, and any state or local counterparts and (y) any common law or equitable doctrine (including injunctive relief and tort doctrines such as negligence, nuisance, trespass, strict liability, contribution and indemnification) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of, effects of, or exposure to any Hazardous Materials.

"Environmental Permits" means all permits, licenses, authorizations, certificates, and approvals of any Governmental Body relating to or required by Environmental Laws and necessary for or held in connection with the conduct of the business.

"Equity Affiliates" means all Persons in which the Company or any Subsidiaries of the Company hold an equity interest that are not Subsidiaries of the Company that are accounted for under the equity method of accounting in accordance with GAAP.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" has the meaning set forth in Section 3.9.1.

"Escrow Agent" means Alaska Trust Company.

"Escrow Agreement" has the meaning set forth in Section 1.3.

"Escrow Amount" means [REDACTED]

"Escrow Fund" has the meaning set forth in Section 1.3.

"Estimated Cash Consideration" has the meaning set forth in Section 1.6.1.

"Estimated Closing Date Shareholders' Equity" has the meaning set forth in Section 1.6.1.

"ETCs" has the meaning set forth in Section 3.18.7.

"FCC" means the Federal Communications Commission.

"FCC Licenses" has the meaning set forth in Section 3.18.1.

"FCC Rules" means the rules, regulations, policies, instructions and orders of the FCC.

"Filed Returns" has the meaning set forth in Section 3.8.

"Final Order" means any action or decision of the FCC, or a bureau or division thereof under properly delegated authority, as to which (i) no request for a stay or similar request is pending, no stay is in effect, the action or decision has not been vacated, reversed, set aside, annulled or suspended and any deadline for filing such request that may be designated by statute or regulation has passed without the filing of any such request, (ii) no petition for rehearing or reconsideration or application for review is pending and the time for the filing of any such petition or application has passed, (iii) the FCC does not have the action or decision under reconsideration on its own motion and the time within which it ordinarily may effect such reconsideration has passed and (iv) no appeal is pending or in effect including other administrative or judicial review, and any deadline for filing any such appeal that may be designated by statute or rule has passed.

"Final Tax Returns" has the meaning set forth in Section 9.1.1.

"Final Shareholders' Equity" has the meaning set forth in Section 1.6.2.2.

"Force Majeure Events" means war or military operations; terrorism; sabotage; vandalism, and other third-party aggression; insurrections or riots; tsunamis; earthquakes; avalanches; a thirty-year storm or flood; a commercial power outage of five days or more; or another cause (excluding radio wave propagation and permafrost conditions) that was unforeseeable by the Company and the Acquired Companies during the design and construction

of the Microwave Network and is entirely beyond the control of the Company and the Acquired Companies.

"GAAP" means *United States generally accepted accounting principles* consistently applied from period to period.

"GCI" has the meaning set forth in the Introduction.

"GCI Indemnifying Party" has the meaning set forth in Section 7.1.

"GCI Indemnitee" has the meaning set forth in Section 7.2.

"Governmental Body" means any nation, state, county, city, town, village, district, or other jurisdiction of any nature; federal, state, local, municipal, foreign, or other government; governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); multi-national organization or body; or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"Gross Revenue" means the gross revenue generated from operations of the Acquired Companies, GCI, or any of their respective Affiliates for services and equipment provided to the Specified Customers, determined in accordance with GAAP.

"Hazardous Materials" means any chemical, material, substance, element, compound, mixture, contaminant, pollutant, toxic or hazardous material or waste defined or regulated as toxic or hazardous or as a pollutant or contaminant or as a waste under any applicable Environmental Law and includes, without limitation, petroleum and petroleum products, by-products or breakdown products, radioactive materials, urea formaldehyde insulation, asbestos containing materials and polychlorinated biphenyls, any hazardous substance, hazardous waste, hazardous material, pollutant or contaminant, any petroleum hydrocarbon and any degradation product of a petroleum hydrocarbon, PCB, mold spores, or similar substance.

"HIPAA" has the meaning set forth in Section 3.9.5.

"Indemnifying Party" has the meaning set forth in Section 7.5.1.

"Indemnitee" has the meaning set forth in Section 7.5.

"Intellectual Property Rights" means all trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, copyrights, works of authorship, inventions (whether patentable or not), invention disclosures, industrial models, industrial designs, utility models, certificates of invention, designs, emblems and logos, domain names, trade secrets, manufacturing formulae, technical information, patents, patent applications, moral rights, mask work registrations, franchises, franchise rights, customer and supplier lists, and related identifying information together with the goodwill associated therewith, product formulae, product designs, product packaging, business and product names, slogans, rights of

publicity, improvements, processes, specifications, technology, methodologies, computer software (including all source code and object code), firmware, development tools, flow charts, *annotations, all Web addresses, sites and domain names, all data bases and data collections* and all rights therein, any other confidential and proprietary right or information, whether or not subject to statutory registration, as each of the foregoing rights may arise anywhere in the world, and all related technical information, manufacturing, engineering and technical drawings, know-how, and all pending applications and registrations of patents, and the right to sue for past infringement, if any, in connection with any of the foregoing, and all documents, disks, records, files, and other media on which any of the foregoing is stored, and other proprietary rights, in the case of each of the foregoing which is owned by any of the Acquired Companies or used or held for use by any of the Acquired Companies in connection with any of its businesses.

"Interim Financials" has the meaning set forth in Section 3.5.1.

"KUC" has the meaning set forth in Section 3.2.2.

"Leased Real Property" means real property leased by the Acquired Companies pursuant to the Real Property Leases.

"Liability" means any debt, obligation, duty, or liability of any nature (including any unknown, undisclosed, unfixed, unliquidated, unsecured, unmatured, unaccrued, unasserted, contingent, conditional, inchoate, implied, vicarious, joint, several or secondary liability, or any liability arising pursuant to any Environmental Law), regardless of whether such debt, obligation, duty, or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP.

"Liens" means all liens, pledges, security interests, mortgages, claims, charges and encumbrances and all options or other rights to purchase or otherwise acquire an interest.

"Loss" means all liabilities (whether known or unknown, matured or unmatured, stated or unstated, fixed or contingent), obligations, damages of any kind, judgments, Liens, injunctions, charges, orders, decrees, rulings, demands, claims, losses, assessments, Taxes, fines, penalties, expenses, fees, costs, and amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action). For purposes of Section 7.2, any diminution in the value of the Acquired Companies as compared to the value such entities would have had if a representation or warranty of the Company had not been breached shall constitute a Loss.

"Material Adverse Effect" means any effect or change that does have, or would reasonably be expected to have, a material adverse effect on the assets, business, condition (financial or other), operating results or prospects of a specified Person and its subsidiaries, taken as a whole.

"Microwave Network" has the meaning set forth in Section 3.19.

"Measurement Period" has the meaning set forth in Section 6.2.14.

"MUC" means Manley Utility Company, Inc., an Alaska corporation.

"MUC Real Property" has the meaning set forth in Section 5.9.

"Objection Notice" has the meaning set forth in Section 1.6.2.2.

"Ordinary Course" means the ordinary course of business, consistent with past practices.

"Organizational Documents" means as to any corporation, its articles of incorporation and bylaws, as amended through the relevant date.

"Owned Real Property" has the meaning set forth in Section 3.15.2.

"Party" means, individually or collectively, GCI, the Company, Sea Lion or Togiak.

"Period One" has the meaning set forth in Section 2.1.

"Period Two" has the meaning set forth in Section 2.1.

"Period Three" has the meaning set forth in Section 2.1.

"Period Four" has the meaning set forth in Section 2.1.

"Period Five" has the meaning set forth in Section 2.1.

"Person" means an individual, and any corporation, partnership, trust, limited liability company, association, governmental authority or any other entity or organization.

"Proprietary Information" means all information that is disclosed pursuant to this Agreement, regardless of the form or manner of disclosure, and any information disclosed pursuant to the Reciprocal Non-Disclosure Agreement dated August 21, 2007 between GCI and the Company, as amended. "Proprietary Information" shall additionally include all notes, extracts, analyses, or studies prepared by the Receiving Party or its Representatives based on the Proprietary Information or any portion thereof and shall include items provided in electronic, as well as hard copy, format. "Proprietary Information" shall not include information that (a) is generally available to the public or becomes generally available to the public without disclosure by a Receiving Party or its Representatives, (b) was already in the possession of a Receiving Party or its Representatives prior to its disclosure under this Agreement, provided that the source of the information was not under an obligation of confidentiality to the Disclosing Party (c) comes into the possession of a Receiving Party or its Representatives from a source other than the Disclosing Party or its Representatives, provided that such source is not under an obligation of confidentiality to the Disclosing Party, or (d) is developed independently by a Receiving Party or its Representatives without reliance on or reference to the disclosed information.

"RCA" means the Regulatory Commission of Alaska.

"RCA Authorizations" has the meaning set forth in Section 3.18.2.

"Real Property Leases" has the meaning set forth in Section 3.15.3.

"Receiving Party" has the meaning set forth in Section 5.16.

"Regulatory Consents" has the meaning set forth in Section 5.2.1.

"Representatives" has the meaning set forth in Section 5.16.

"Revenue Growth Payments" has the meaning set forth in Section 2.1.

"Revenue Sharing Period" has the meaning set forth in Section 2.1.

"Sea Lion" has the meaning set forth in the Introduction.

"SEC" means the United States Securities and Exchange Commission.

"Section 338(h)(10) Election" has the meaning set forth in Section 9.1.6.

"Seller Indemnifying Party" has the meaning set forth in Section 7.2.

"Seller Indemnitee" has the meaning set forth in Section 7.1.

"Sellers" has the meaning set forth in the Introduction.

"Shareholders' Equity" means, without giving effect to the payment provided for in Section 9.2.3, the aggregate net shareholders' equity of the Acquired Companies determined in accordance with GAAP.

"Shareholders' Equity Excess" has the meaning set forth in Section 1.6.1.

"Shareholders' Equity Shortfall" has the meaning set forth in Section 1.6.1.

"Shareholders' Equity Target" has the meaning set forth in Section 1.6.1.

"Specified Customers" means



"State Communications Laws" means the Alaska laws related to communications and the rules, regulations, published policies, published decisions, published orders, published rulings, and published notices of the state agencies, including the RCA, Alaska Fish and Wildlife Service, and Alaska Department of Natural Resources, promulgated thereunder.

"Subsidiary" means, when used with reference to an entity, any corporation, fifty percent or more of the outstanding voting securities of which are owned directly or indirectly by such entity or any partnership, limited liability company, joint venture or other enterprise in which any entity has, directly or indirectly, any equity interest.

"Support Programs" has the meaning set forth in Section 3.18.7.

"Tax" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, report, form or similar statement required to be filed with respect to any tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated tax.

"Telecom Entities" means United Utilities, Inc., an Alaska corporation, and Unicom, Inc., an Alaska corporation, collectively.

"Telecom Licenses" has the meaning set forth in Section 3.18.2.

"Togiak" has the meaning set forth in the Introduction.

"Transaction Agreements" means this Agreement, the Escrow Agreement and all other instruments and agreements executed and delivered pursuant to this Agreement.

"USF" has the meaning set forth in Section 3.18.7.

"UII" has the meaning set forth in the Recitals.

"Working Capital" means an amount equal to Current Assets less Current Liabilities.

"Year End Financials" has the meaning set forth in Section 3.5.1.

Attachment B

ATTACHMENT B

**LIST OF FCC LICENSES AND AUTHORIZATIONS
CONTROLLED BY UNITED COMPANIES, INC.**

Wireless Licenses

LICENSEE	CALLSIGN	SERVICE
UNICOM, INC.	KNKR275	CL
UNICOM, INC.	WPOJ688	CL
UNICOM, INC.	WPOJ693	CL
UNICOM, INC.	WPOJ694	CL
UNICOM, INC.	WPOJ849	CL
UNICOM, INC.	WPOJ850	CL
UNICOM, INC.	WPOJ851	CL
UNICOM, INC.	WPOJ853	CL
UNICOM, INC.	WPOJ865	CL
UNICOM, INC.	WPOJ867	CL
UNICOM, INC.	WPOL233	CL
UNICOM, INC.	WPZC203	CF
UNICOM, INC.	WPZC205	CF
UNICOM, INC.	WQDR573	CF
UNICOM, INC.	WQDR574	CF
UNICOM, INC.	WQDR581	CF
UNICOM, INC.	WQDR582	CF
UNICOM, INC.	WQDR689	CF
UNICOM, INC.	WQDZ865	CF
UNICOM, INC.	WQEA796	CF
UNICOM, INC.	WQEE456	CF
UNICOM, INC.	WQEE683	CF
UNICOM, INC.	WQFI285	CF
UNICOM, INC.	WQFI288	CF
UNICOM, INC.	WQFI289	CF
UNICOM, INC.	WQFI290	CF
UNICOM, INC.	WQFI527	CF
UNICOM, INC.	WQFI531	CF
UNICOM, INC.	WQFI740	CF
UNICOM, INC.	WQFI846	CF
UNICOM, INC.	WQFI851	CF
UNICOM, INC.	WQFJ407	CF

FCC Form 603
Exhibit 1
Attachment B

UNICOM, INC.	WQGY317	CF
UNICOM, INC.	WQGY318	CF
UNICOM, INC.	WQHH678	CF
UNICOM, INC.	WQHH679	CF
UNICOM, INC.	WQHK384	CF
UNICOM, INC.	WQHK390	CF
UNICOM, INC.	WQHM636	CF
UNITED UTILITIES, INC.	KNKD748	CR
UNITED UTILITIES, INC.	KNKD749	CR
UNITED UTILITIES, INC.	KNKI536	CR
UNITED UTILITIES, INC.	KNKI537	CR
UNITED UTILITIES, INC.	KNKJ690	CR
UNITED UTILITIES, INC.	KNKL549	CR
UNITED UTILITIES, INC.	KNKL617	CR
UNITED UTILITIES, INC.	KNKM548	CR
UNITED UTILITIES, INC.	KNKM804	CR
UNITED UTILITIES, INC.	KNKO881	CR
UNITED UTILITIES, INC.	KNKO971	CR
UNITED UTILITIES, INC.	KNKP389	CR
UNITED UTILITIES, INC.	KNKP414	CR
UNITED UTILITIES, INC.	KNKP446	CR
UNITED UTILITIES, INC.	KNKP839	CR
UNITED UTILITIES, INC.	KNKS200	CR
UNITED UTILITIES, INC.	KNLN427	CR
UNITED UTILITIES, INC.	KNLV828	CB-BETRS
UNITED UTILITIES, INC.	KNLW441	CB-BETRS
UNITED UTILITIES, INC.	WFY991	CF
UNITED UTILITIES, INC.	WFY992	CF
UNITED UTILITIES, INC.	WHQ627	CF
UNITED UTILITIES, INC.	WHQ634	CF
UNITED UTILITIES, INC.	WHQ636	CF
UNITED UTILITIES, INC.	WMR514	CF
UNITED UTILITIES, INC.	WPNC596	CF
UNITED UTILITIES, INC.	WPNC597	CF
UNITED UTILITIES, INC.	WPNG502	CF
UNITED UTILITIES, INC.	WPNG503	CF
UNITED UTILITIES, INC.	WPNI268	CF
UNITED UTILITIES, INC.	WPNI269	CF
UNITED UTILITIES, INC.	WPNI270	CF
UNITED UTILITIES, INC.	WPNI462	CF
UNITED UTILITIES, INC.	WPNI463	CF
UNITED UTILITIES, INC.	WPNI464	CF

FCC Form 603
Exhibit 1
Attachment B

CF - Common Carrier Fixed Point to Microwave
CL - Cellular
CR- Rural Radiotelephone
IG - Industrial/Business Pool,
Conventional
CB - BETRS
CT - Local Television Transmission

International 214 Authority

AUTHORIZATION HOLDER **FILE NO.**

Unicom, Inc. ITC-214-19960116-00009 (Old File No. ITC-96-33)

Earth Station Authorizations

AUTHORIZATION HOLDER	CALL SIGN	BAND	TYPE
ALASCOM, INC./UNITED UTILITIES, INC.	E2191	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2194	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2195	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2196	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2212	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2213	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2229	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2230	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2231	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2234	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2238	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2240	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2241	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2243	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2245	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2248	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2249	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2251	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2256	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2257	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2267	C	4.5m TR
ALASCOM, INC./UNITED UTILITIES, INC.	E2277	C	4.5m TR